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SUBJECT: Argentina: Budget Transparency

Ref: State 028885

11. (U) The following responds to Reftel questions on budget transparency ("FY09 Prohibition on assistance to central governments whose budgets are not transparent").

12. (SBU) The Government of Argentina (GoA) is scheduled to receive FY 09 U.S. foreign assistance funds for IMET, INCLE, and NADR programs.

13. (U) The GoA budget is publicly available online. The executive branch sends its budget bill to the Argentine Congress for approval, after which it is published in the Official Gazette and uploaded to the Ministry of Economy website.

14. (U) The Federal Budget provides income and expenditure estimates for the fiscal year (January 1 - December 31).

15. (SBU) In Post's estimation, the Argentine budget process is fairly transparent and open, and suffices to meet the requirements described in reftel. The GoA and Argentine Congress have met annual deadlines for submitting and passing the budget for the last three years. Some controversy has arisen in recent years resulting from the GoA's use of "over-budget" revenues. Under current legislation, the Chief of Cabinet is authorized to redistribute line-item allocations prior to congressional approval if excess revenues become available. Over the past five years, the GoA's budgeted revenue estimates have consistently been significantly lower than the year-end results, due to much higher real economic growth levels than were included in the annual budgets. This has allowed the government to exercise broad discretion over the distribution of these over-budget funds. Nevertheless, the GoA has announced the expenditure of these extra funds in a public and transparent manner: via decree or administrative decision, all of which have been published in the Official Gazette.

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